

Policy 4-5 CASH RECEIPTS POLICY AND PROCEDURES

DISTRIBUTION: All Departments

EFFECTIVE DATE: August 3, 2021

SUBJECT: Cash Receipts Policy and Procedures

PURPOSE: To establish proper controls and cash handling procedures throughout all City of Lawton departments. Controls are required to safeguard against loss and to define responsibilities in the handling of cash. All departments receiving cash are designated as cash collection points. "Cash" may consist of currency, checks, money orders, credit card transactions, fed wires, and electronic fund transfers.

BACKGROUND: The purpose of the cash receipts policy is to establish and maintain uniform cash receipting policies and procedures throughout the City of Lawton. Employees who handle cash are expected to be careful and accurate and to settle their funds each day without overages and shortages.

PROCEDURES:

1. General

- a. This policy shall be followed by all City departments, agencies or entities that collect or handle cash for the City of Lawton.
- b. The Finance Director is charged with monitoring compliance with this policy, with keeping department directors and division supervisors informed on problem areas and with providing necessary training to City employees on proper cash receipt procedures.
- c. All supervisory personnel are charged with ensuring that all cash received by their entities are in accordance with this policy. They are further charged with working with the Finance Director in resolving problems and requesting training for their personnel where needed.
- d. All departments responsible for cash collection must maintain a clear separation of duties. An individual should not have responsibility for more than one of the cash handling components: receipt, deposit, or reconciliation.
- e. No "unofficial" funds may be maintained by any department. Any such funds currently on hand are in violation of this policy and must be transmitted to the Financial Services Division with a statement as to the source.

2. Receiving Cash

- a. Checks and money orders must be made payable to the City of Lawton. Checks must not be made payable to departments, department heads, or any City official or employee by name. Post-dated checks will not be accepted.

- b. Checks must be stamped with a restrictive endorsement (such as “City of Lawton For Deposit Only”).
- c. Payments must be protected by using a safe or lockbox until they are deposited. A secure area for processing and safeguarding funds received must be maintained and access restricted to authorized personnel.
- d. No form of payment shall be sent through inter-office mail.
- e. Departments or activities not authorized to accept payments should direct the payer to the Head Cashier in the Utility Services division.

3. Recording of Receipts

- a. Departments receiving funds must record each transaction through the City of Lawton financial software.
- b. Receipts must be given to the customer for all transactions. Receipts must be printed from the City of Lawton financial software. Receipts must include, but are not limited to, the following information:
 - i. Date received
 - ii. Dollar amount
 - iii. Payment type
 - iv. Receipt number
 - v. Name of person paying for the transaction
 - vi. Description of the service or product
 - vii. Name of the department or area collecting the funds
 - viii. Cash handler’s name
- c. When necessary to void a receipt, the original must be retained and stapled to the copy.

4. Transmittal and Deposit of Cash

- a. All funds received must be balanced daily by each clerk. This can be done by comparing the total of the cash, checks and credit card collections to department records. Supervisors are responsible for verifying that funds are balanced.
- b. Cash, checks and money orders shall be placed into a locked bank bag with a deposit slip.
- c. Department depositors are responsible for transporting locked bank bags to the Head Cashier. Any person delivering a deposit to the Head Cashier should take adequate precautions for their personal safety and security. A request for a police escort may be made by contacting the Lawton Police Department. Head Cashier shall not open the bank bags or recount the bags.
- d. Departments must deposit each day’s receipts no later than noon of the following day.

5. Custody and Safekeeping of Receipts

- a. Receipts must be kept in a secure location. Receipts should be stored separately from funds not deposited in order to maintain accountability for loss in the event of a theft.
- b. Documentation such as cash register tapes, deposit slips, credit card receipts, copies of manual cash receipts, etc. are to be kept for a period of five years by the department.
- c. Copies of all Cashiering End of Day Journal Registers and deposits slips shall be forwarded to Financial Services.

6. Cash Overage and Shortage

- a. If at any time a department's daily receipts should be over or short, the overage or shortage should be reported using the Over/Short Report in this policy.
- b. A verbal warning should be given if an employee has cumulative cash over or short of \$25 or more per month. A written response must be provided by the employee to the immediate supervisor no later than 24 hours after the occurrence. The events and responses should be documented in the department's files.
- c. A written warning should be given if an employee has received three verbal warnings for over/short instances OR the employee exceeds a cumulative total of \$100 or more over or short in any number of transactions in a single month. A written response must be provided by the employee to the immediate supervisor no later than 24 hours after the occurrence. The events should be documented in the employee's personnel file maintained in Human Resources.
- d. Suspension without pay for 3 business days is warranted upon the third written warning for over or short. The supervisor must address each such occurrence in writing under the advisement of Human Resources.
- e. Termination may be warranted for any single shortage of \$250 or more and/or continued over/short instances by any one employee. The Department Director must address each such occurrence in writing under the advisement of Human Resources.
- f. This policy does not hinder the City's right to examine violations of this policy on a case-by-case basis and may result in discipline other than what is listed in this policy. Any deviation or exception to the above stated disciplinary procedures must be approved in writing by the City Manager.

7. Testing

- a. The City may randomly audit at any time of the day to reconcile the funds on hand to the sales recorded in the financial software.
- b. The City will also audit by sending paying customers to see if payments were handled and recorded properly.
- c. Differences found in audits will be investigated with possible legal action in addition to employment consequences.

REFERENCES: None

RESCISSION: This policy rescinds Admin Policy 4-5 dated August 3, 2021.



MICHAEL CLEGHORN
CITY MANAGER

OVER/SHORT REPORT

To: Financial Services

From: Clerk (printed) _____

Department/Division _____

Date _____

Terminal Number _____

Batch Number _____

Receipt Number _____

Currency Type _____

Over/Short Amount _____

Reason _____

Clerk Signature _____

Division Head Signature _____

Department Head Signature _____

City Manager Signature
(if over/short is over \$15.00) _____